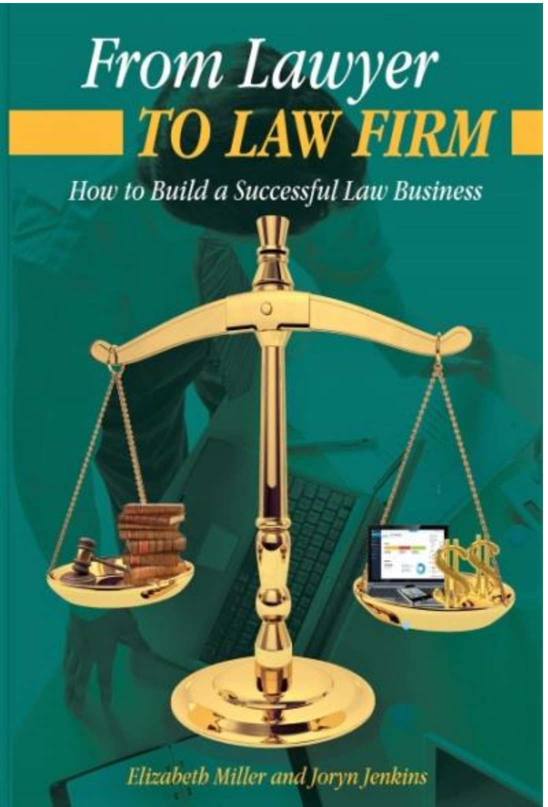
How to Manage Your Law Firm's Client Billings & Collections



Improve Your Law Firm's Cash Flow NOW!!

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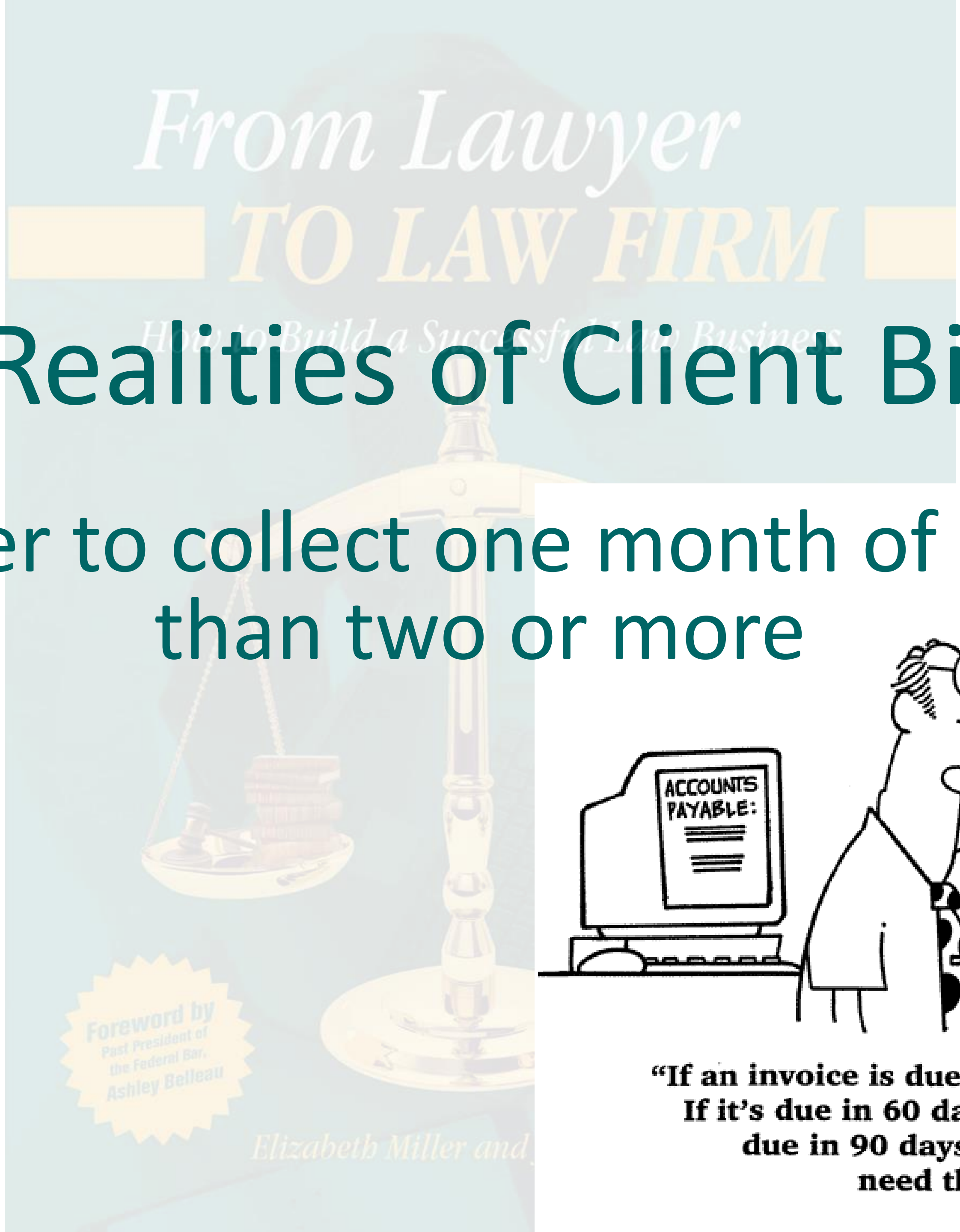
The Realities of Client Billing

Clients don’t like to pay lawyers



The Realities of Client Billing

It’s easier to collect one month of billables than two or more

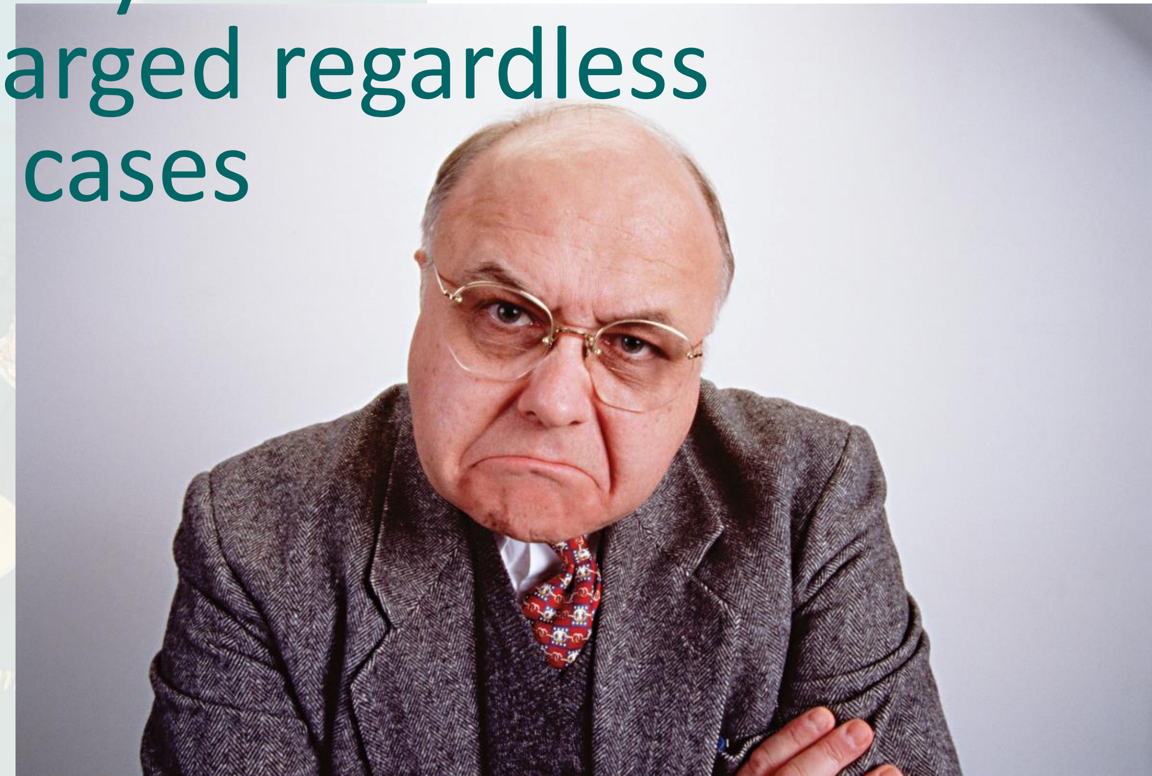
“If an invoice is due in 30 days, we pay it in 60 days. If it’s due in 60 days, we pay it in 90 days. If it’s due in 90 days, then they probably don’t need the money anyway.”

The Realities of Client Billing

Clients pay their bills when *they* get paid – so be flexible

The Realities of Client Billing

Clients will never be totally satisfied with their bills or the fees charged regardless of the outcome of their cases



Reduce and Prevent Client Complaints about Bills

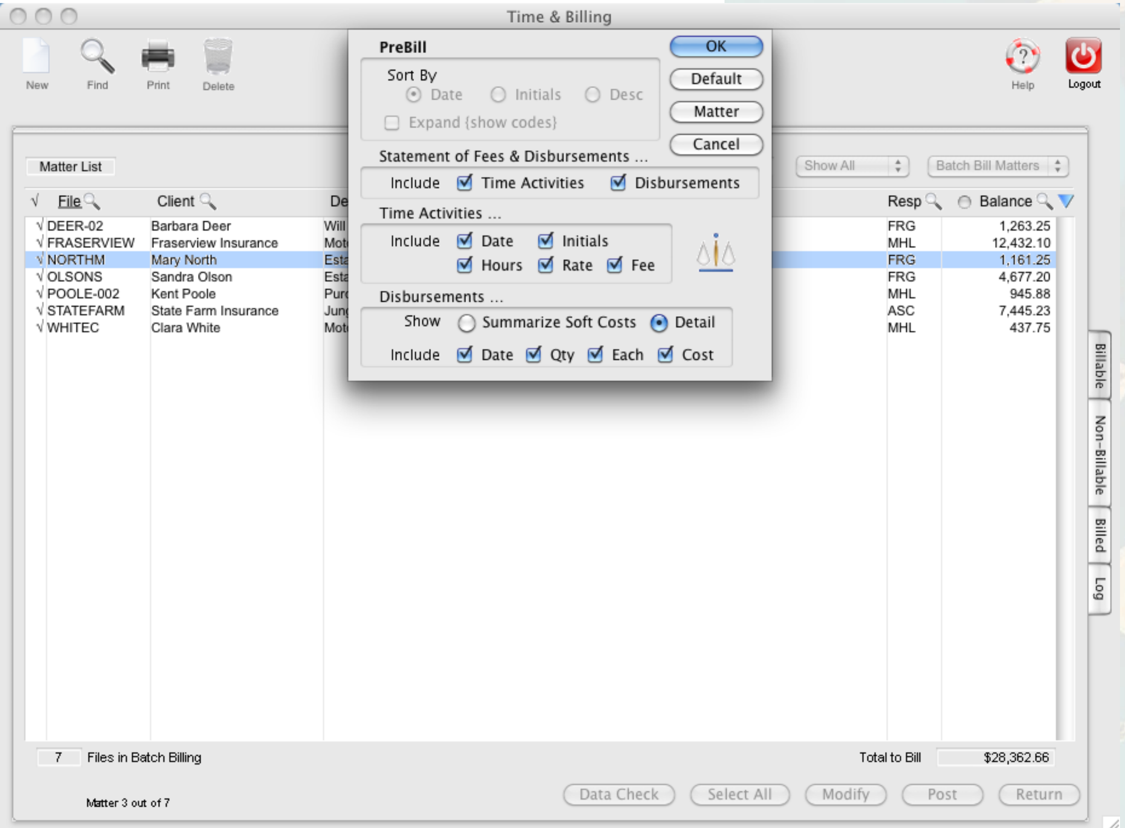
Establish a monthly billing cycle

Reduce and Prevent Client Complaints about Bills

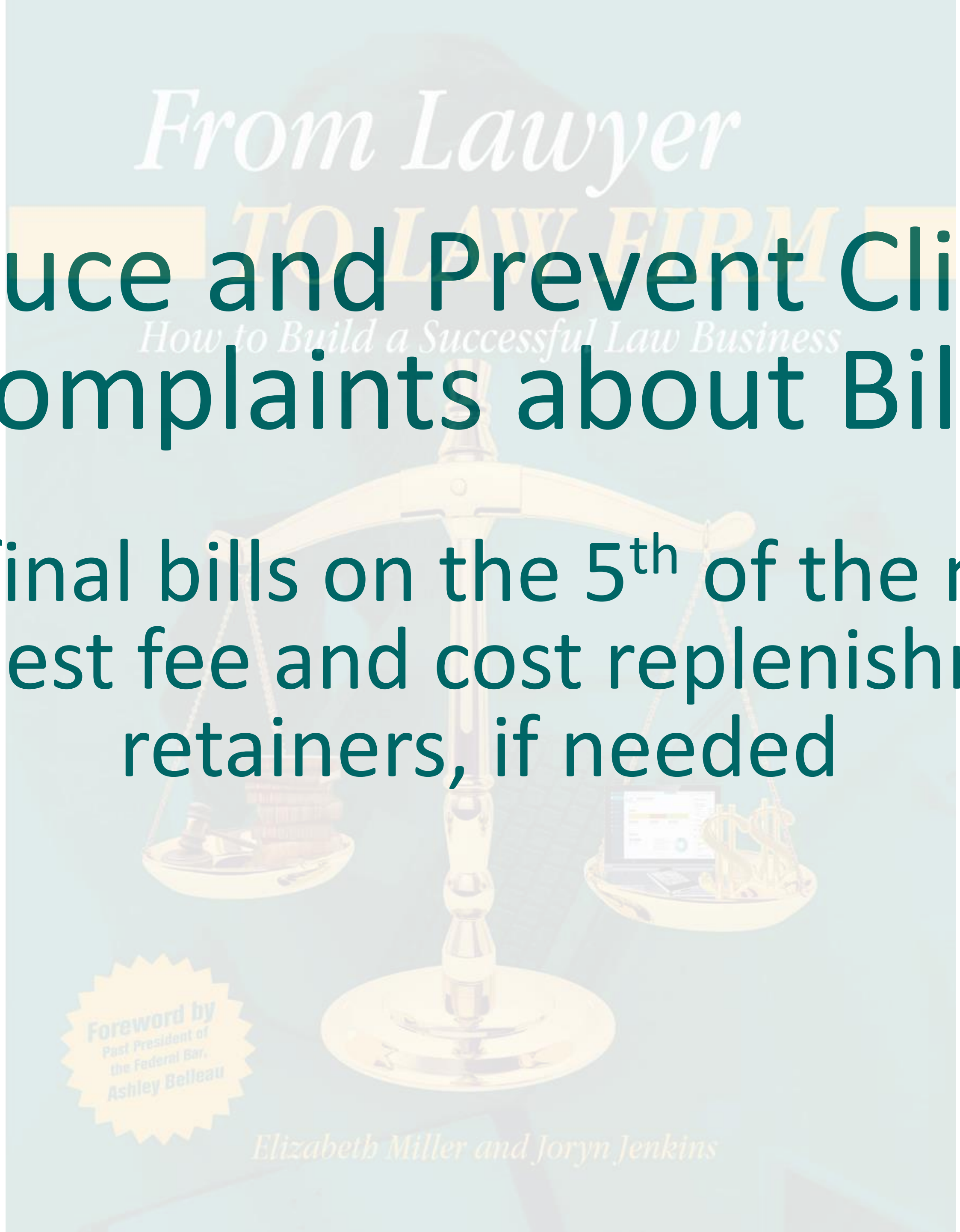
Due	Pay #	Recipient(s)	Amount	Jan	Feb	Mar	Apr	May
15th	2nd	House/Prop Tax/Ins	-$600					
	2nd	Savings-long term	-$200					
1st	2nd	Car Payment 1/2	-$150					
15th	2nd	Credit Card	-$100					
24th	2nd	Electricty/Gas Bill	-$100					
20th	2nd	Cell Phone	-$90					
	2nd	Car insurances/regs	-$30					
	2nd	Event Registrations	-$15					
	2nd	Vacation Savings	-$100					
	2nd	Netflix	-$8					
	2nd	Food/Personals/Lunch	-$250					
	2nd	Gas	-$100					
	2nd	Play Money	-$50					
		Total from 2nd check	-$1,793					
		Paycheck	$2,000					
		Remaining	**$207**					
		Event Registrations	$360			60		80

Cut off billable time at the end of every month

Reduce and Prevent Client Complaints about Bills



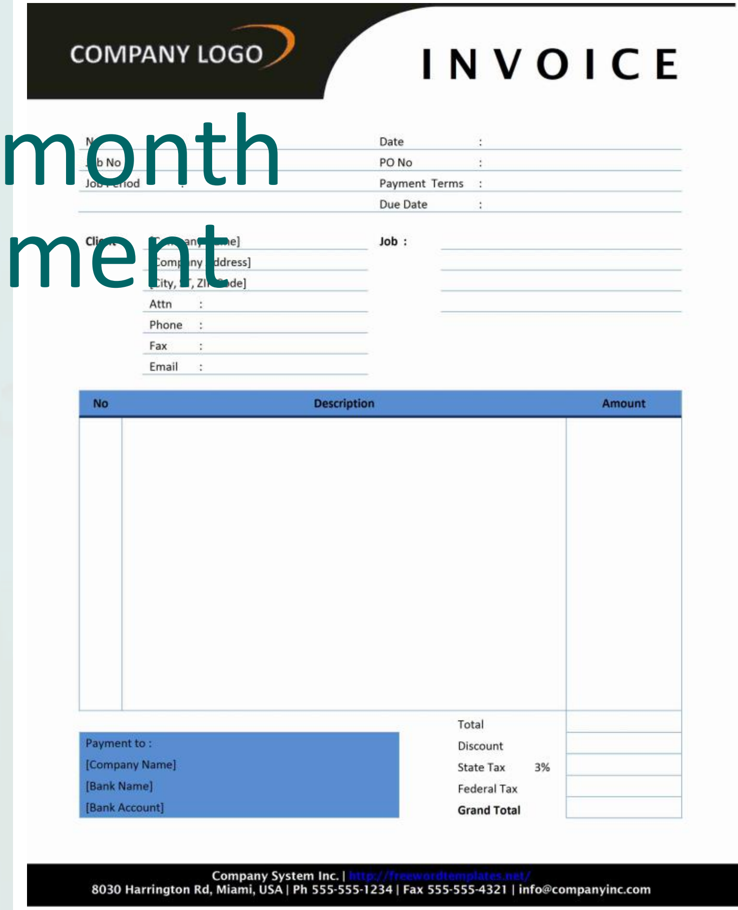
- Run pre-bills by the 2nd of the month
- Complete final edits by the 5th



Reduce and Prevent Client Complaints about Bills

Send final bills on the 5th of the month

Request fee and cost replenishment retainers, if needed



Reduce and Prevent Client Complaints about Bills

Make trust transfers for fees
Update client ledgers

Reduce and Prevent Client Complaints about Bills

Bills should inform:

“What happened to my money?”

The Retainer Agreement

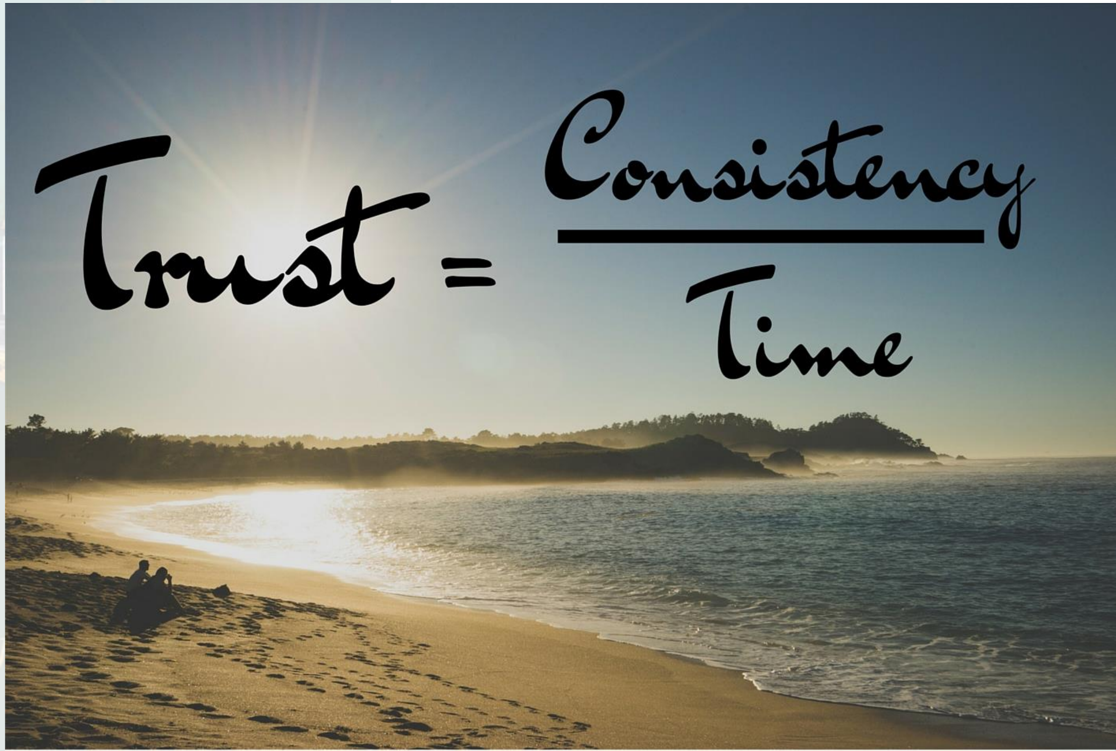
Full disclosure in the agreement of the firm's billing policies reduces billing questions that later delay payment

Raising Hourly Rates

Notify clients in writing 30 days in advance before implementing a fee increase

Consistency is Key!

If you manage your clients' expectations about billing, they are more likely to pay timely

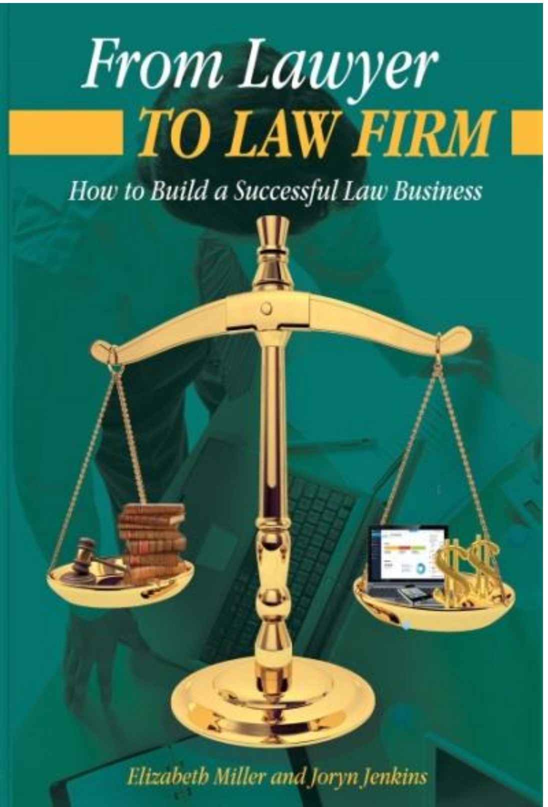


Conclusion

Time spent working for a client who *won't* pay is better spent working for a client who *will* pay

Questions

From Lawyer to Law Firm
How to Build a Successful Law Business



Managing the business of practicing law should be as important to the lawyer as the practice of law itself. It is pivotal to the success or failure of a law practice. The lawyer who considers hanging his own shingle cannot appreciate all of the moving parts involved in managing a profitable law practice until he has actually done it. When you do venture out, on your own or in a partnership with others, you soon realize that there is much more to the business of practicing law than you ever expected. Everything about your law firm affects the most important asset that your law firm owns: the attorney/client relationship.

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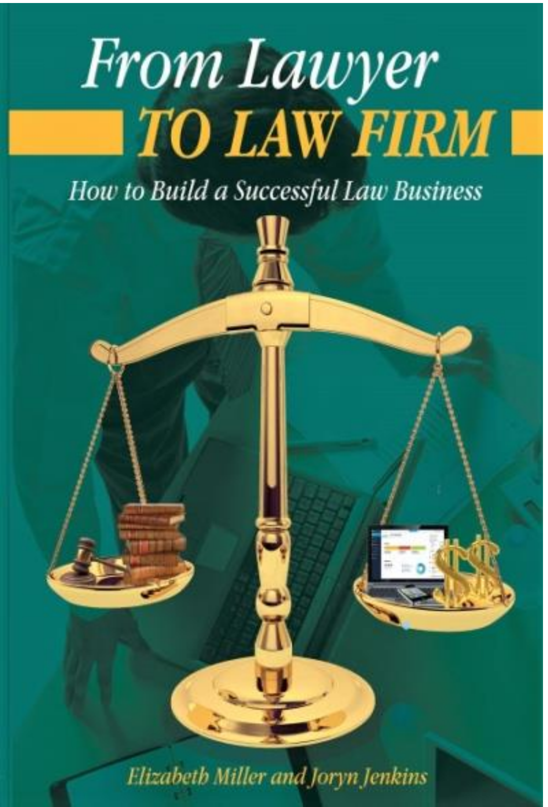

In From Lawyer to Law Firm, we address the commercial aspects of practicing law that are unique to a law firm. During our combined 70+ years in the legal profession, we have both experienced situations which may seem unbelievable. No matter where you are in your legal career, we offer you guidance and insights based on those experiences that will help to ensure success for both you and your law firm.

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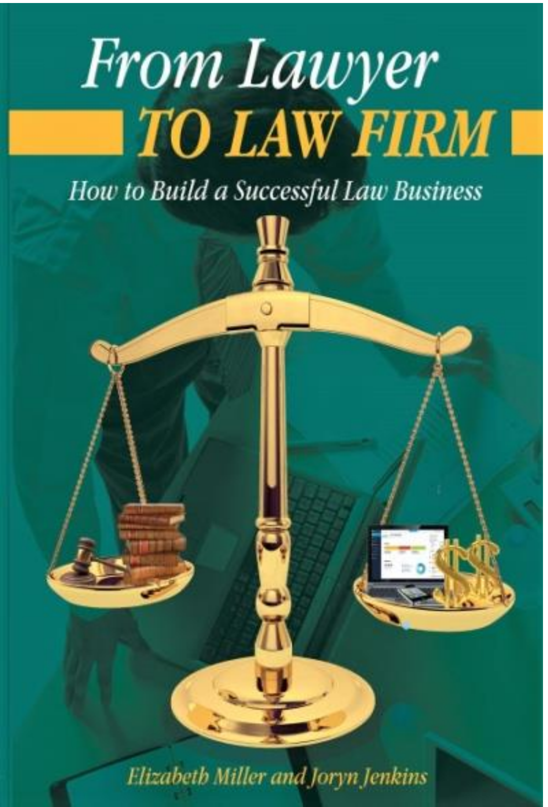

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